III. Comment Letters

As mentioned above, the Commission received one comment letter.[5] The ICI strongly supported and urged the Commission to adopt the proposed rule change. The ICI believed that an explicit exclusion of registered investment companies from the definition of ''limited partnership rollup transaction'' under NASD rules is entirely appropriate because investment companies are already subject to extensive regulation and have not been perceived as entities connected with the types of abusive limited partnership rollup transactions for which the investor protection provisions of the rollup rules were sought.

IV. Discussion

The Commission believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act,[6] which require that the rules of the association be designed to prevent fraudulent and manipulative acts and promote just and equitable principles of trade in that the proposed rule change provides for regulatory consistency of the NASD's definition with the SEC's definition of ''limited partnership rollup transaction'' and appropriately excludes investment companies and business development companies from unnecessary, and potentially burdensome, additional regulation. Investment Companies and Business Development Companies are already subject to extensive regulation under the 1940 Act and the concerns associated with abusive limited partnership rollup transactions (e.g., significant conflicts of interest, adverse changes and differing effects for partnership investors) for which the investor protection provisions of the rollup rules were sought have not been apparent in these areas.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change SR–NASD–95–19 be, and hereby is, approved.

[5] Letter from Frances M. Stadler, Esq., Associate Counsel, Investment Company Institute (''ICI''), to Jonathan Katz, Secretary, Securities and Exchange Commission, dated June 22, 1995.

[6] 15 U.S.C. 78*o*–3.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30–3(a)(12).

Jonathan G. Katz,

Secretary.

[FR Doc. 95–16998 Filed 7–11–95; 8:45 am]

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[Release No. 34–35928; International Series Release No. 823 File No. SR–Phlx–95–43]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc., Relating to Customized Foreign Currency Options Transaction Size

June 30, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''), 15 U.S.C. 78s(b)(1), notice is hereby given that on June 21, 1995, the Philadelphia Stock Exchange, Inc. (''Phlx'' or ''Exchange'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Phlx. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The Phlx proposes to amend Exchange Rule 1069(a) to revise the minimum transaction size for customized foreign currency options (''Customized FCOs'') from 200 to 100 contracts. The text of the proposed rule change is available at the Office of the Secretary, the Phlx, and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the Phlx included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The Phlx has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

On November 1, 1994, the Commission approved the Exchange's proposal to trade Customized FCOs.[1] Customized FCOs provide users of the Exchange's foreign currency options (''FCOs'') markets with the ability to customize the strike price and quotation method and to choose any underlying and base currency combination out of all Exchange-listed currencies, including the U.S. dollar, for their FCO transactions. The Phlx represents that Customized FCOs were introduced to attract institutional customers who enjoy the flexibility and variety offered in the over-the-counter foreign currency market but who prefer the benefits attributed to an exchange auction market for hedging their exchange rate risks.

The Exchange originally imposed a 300 contract minimum opening transaction size pursuant to Rule 1069(a)(6). The Exchange represents that a number of mid-sized corporations and institutions subsequently told the Phlx that a 300 contract minimum was too large for their purposes. The Exchange represents that these corporations and institutions believed that Customized FCOs would fill a market need for them but that the opening transaction size was prohibitive. As a result, the Exchange states that it determined to reduce the minimum opening transaction size in stages. As a first step, earlier this year, the Exchange reduced the minimum size of opening transactions in Customized FCOs to 200 contracts.[2] The Exchange believes, however, that 200 contracts is still too large for a significant segment of mid-sized corporations (*i.e.*, $1–10 billion in market capitalization) that wish to hedge their currency risk in a cost-effective manner using an exchange-traded Customized FCO. The Exchange, therefore, now proposes to reduce the minimum opening transaction size for Customized FCOs to 100 contracts, which would still provide for an average minimum opening transaction value of almost $5 million, as shown below:

[1] *See* Securities Exchange Act Release No. 34925 (November 1, 1994), 59 FR 55720 (November 8, 1994).

[2] *See* Securities Exchange Act Release No. 35464 (March 9, 1995), 60 FR 14043 (March 15, 1995.

Underlying currency	Exchange rate [3]	Underlying contract size	Value of 200 contracts	Value of 100 contracts
Australian dollar	$0.7285000	50,000	$7,285,000	$3,642,500
Canadian dollar	0.7379000	50,000	7,379,000	3,689,500
Swiss franc	0.8295000	62,500	10,368,750	5,184,375
German mark	0.6925000	62,500	8,656,250	4,328,125
French franc	0.1959800	250,000	9,799,000	4,899,500
British pound	1.5640000	31,250	9,775,000	4,887,500
Japanese yen	0.0115410	6,250,000	14,426,250	7,213,125
ECU	1.2841000	62,500	16,051,250	8,025,625
Italian lira [4]	0.0006066	50,000,000	6,066,000	3,033,000
Spanish peseta [5]	0.0080220	5,000,000	8,022,000	4,011,000
Averages	....	....	9,782,850	4,891,425

By reducing the minimum size of a Customized FCO opening transaction to 100 contracts, now both opening and closing transactions, regardless of open interest, would have the same minimum size.[6] Further, assigned registered options traders (''ROTs'') would no longer have more stringent quote obligations than non-assigned ROTs because the minimum size for any responsive quote would be at least 100 contracts. The Exchange notes that the beneficial parity and priority provisions in Phlx Rule 1069(b) that were adopted as a quid pro quo for assigned ROTs in exchange for this heightened quotation size responsibility is the subject of another rule change that has been filed with the Commission.[7]

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act, in general, and with Section 6(b)(5), in particular, in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, facilitate transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, protect investors and the public interest by opening up the Customized FCO market to smaller institutional and corporate FCO users who are currently priced out of the market while keeping the entry requirements high enough to discourage smaller, less sophisticated FCO users.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Phlx does not believe that the proposed rule change will impose any inappropriate burden on competition.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants or Others

No written comments were solicited or received with respect to the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR–Phlx–95–43 and should be submitted by August 2, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[8]

Jonathan G. Katz,

Secretary.

[FR Doc. 95–16994 Filed 7–11–95; 8:45 am]

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[Rel. No. IC–21183; Filed No. 812–9384]

American Skandia Trust, et al.

July 3, 1995.

AGENCY: U.S. Securities and Exchange Commission (''SEC'').

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: American Skandia Trust (the ''Trust'') and American Skandia Investment Services, Incorporated (''ASISI'').

RELEVANT ACT SECTIONS: Order requested under Section 6(c) for exemptions from Sections 9(a), 13(a), 15(a) and 15(b) of the Act and Rules 6e-2(b)(15) and 6e-3(T)(b)(15) thereunder.

SUMMARY OF APPLICATION: Applicants seek an order rescinding and replacing an order that granted exemptions from the Act (the ''Original Order'').[1] The

[3] As of May 16, 1995, assuming that the U.S. dollar is the base currency.

[4] The Exchange has requested approval to trade Customized FCOs on the Italian lira. *See* Securities Exchange Act Release No. 35678 (May 4, 1995), 60 FR 24945 (May 10, 1995) (notice of File No. SR–Phlx–95–20).

[5] The Exchange has requested approval to trade Customized FCOs on the Spanish peseta. *See* Securities Exchange Act Release No. 35677 (May 4, 1995), 60 FR 24941 (May 10, 1995) (notice of File No. SR–Phlx–95–21).

[6] Pursuant to Rule 1069(a)(6), the minimum closing transaction size is the lesser of 100 contracts or the remaining number of contracts.

[7] In that proposal, the Exchange proposes to eliminate the response period applicable to Customized FCOs which would also eliminate the parity/priority benefits currently available to assigned ROTs. *See* Securities Exchange Act Release No. 35615 (April 17, 1995), 60 FR 20133 (April 24, 1995) (notice of File No. SR–Phlx–95–05).

[8] 17 CFR 200.30–3(a)(12) (1994).

[1] Investment Company Act Release Nos. 17607 (July 19, 1990) (Order) and 17548 (June 22, 1990) (Notice).